Washington State House of Representatives Office of Program Research



Appropriations Committee

HB 2422

Brief Description: Restoring the suspended inflationary increases in educational employee compensation.

Sponsors: Representatives Dunshee, Haigh, Bergquist, Haler, Muri, Stonier, Blake, Walkinshaw, Riccelli, Appleton, Habib, Senn, Tarleton, Reykdal, Sawyer, Seaquist, Fey, Wylie, Goodman, Gregerson, Robinson, Sells, Moeller, Ryu, Moscoso, Kirby, Tharinger, Takko, Santos, Fitzgibbon, S. Hunt, Freeman, Farrell, Morrell, Pollet, Stanford, Green, Van De Wege, Hudgins, Orwall, Lytton, Jinkins, Ormsby, Carlyle, Morris, Condotta, Kagi, Pettigrew, Hurst, Cody, Hansen, Hawkins and Hope.

Brief Summary of Bill

- Restores the Initiative 732 cost-of-living adjustment, beginning in fiscal year 2015.
- Restores inflationary adjustments to the National Board for Professional Teaching Standards certification bonus, beginning in fiscal year 2015.

Hearing Date: 2/4/14

Staff: Jessica Harrell (786-7349).

Background:

<u>Initiative 732 Cost-of-Living Adjustments</u>.

Initiative 732 (I-732) was approved by voters in the November 2000 general election. It required the state to provide an annual cost-of-living adjustment (COLA) for K-12 teachers and other public school employees, as well as community and technical college academic employees and classified employees at technical colleges. The COLA is based on the Seattle-area Consumer Price Index (CPI) from the most recently completed calendar year.

Including the current biennia, the I-732 COLA has been suspended during four of seven biennia since its approval by voters. The prior biennial suspensions occurred during the 2003-05,

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2009-11, and 2011-13 biennia. The current suspension of the COLA was adopted by the Legislature in Chapter 5, Laws of 2013, 2nd sp.s. (HB 2043). At the time of the most recent COLA suspension, the Seattle CPI estimates were 2.5 percent for the 2013-14 school year, and 1.8 percent for the 2014-15 school year. The current estimate for the 2014-15 school year, as of November 2013, is 1.3 percent. The next updated estimate for the calendar year 2013 Seattle CPI should be available the third week of February 2014.

National Board for Professional Teaching Standards Program.

The National Board for Professional Teaching Standards (NBPTS) program provides an opportunity for teachers to seek an advanced teaching credential by undertaking a rigorous application process. Once earned, the certification is valid for 10 years. Washington is in its fourteenth year of participation in the NBPTS program. In 2000 Washington had 71 NBPTS-certified teachers. The Office of the Superintendent of Public Instruction projects 5,878 teachers will be certified in the 2014-15 school year, of which 521 teachers will be in their first year of certification.

Inflationary increases to the National Board Bonus are based on a payment of \$5,000 in the 2007-08 school year, adjusted for inflation each year thereafter. The inflation adjustments to the bonus for school years 2013-14 and 2014-15 were also suspended by the Legislature in Chapter 5, Laws of 2013, 2nd sp.s. (HB 2043). Based on current inflation estimates, the inflation adjusted National Board Bonus for the 2014-15 year would have been \$5,549, up from the \$5,090 bonus included in the current enacted budget.

Summary of Bill:

The Initiative 732 cost-of-living adjustment is restored beginning in fiscal year 2015 for all applicable education employees. Inflation adjustments for the National Board for Professional Teaching Standards certification bonus are also restored for the 2014-15 school year.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on July 1, 2014.